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HOUSE FLOOR AMENDMENTS

Amendments proposed by Representative Greene to Reengrossed Senate Bill No. 91 by Senator N. Gautreaux

AMENDMENT NO. 1

On page 1, line 2, after "To" and before "relative" delete "enact R.S. 47:6035," and insert the following:

"amend and reenact R.S. 47:6020.1(A), (B)(2)(a) and (c), and (C)(1)(introductory paragraph) and 6020.2(A)(1) and (2)(a), (b) and (c), and R.S. 47:6020.4(B) as enacted by Act No. 400 of the 2005 Regular Session, and to enact R.S. 47:6020.1(D) and 6020.4(3)(g) and (h), and 6035,"

AMENDMENT NO. 2

On page 1, line 4, after "definitions;" and before "to" insert the following:

"to provide with respect to the Angel Investor Tax Credit Program; to provide for the amount of the credit; to provide for limitations; to extend the duration of the program;"

AMENDMENT NO. 3

On page 1, between lines 7 and 8, insert the following:

"Section 1. R.S. 47: 6020.1(A), (B)(2)(a) and (c), and (C)(1)(introductory paragraph) and 6020.2(A)(1) and (2)(a), (b) and (c) are hereby amended and reenacted, and R.S. 47:6020.1(D) and 6020.4(3)(g) and (h) are hereby enacted to read as follows:

§6020.1. Angel Investor Tax Credit Program; establishment; qualifications; administration

A. Qualifying individuals or entities that invest in a Louisiana Entrepreneurial Business as defined by R.S. 51:2303(5) may ~~earn, apply for, and~~ be granted a refundable tax credit on any Louisiana income or corporation franchise tax liability. Such credits shall be earned and granted for a period of five tax years as provided in this Part. The administration of applications for these credits and the provision of these credits shall be called the Angel Investor Tax Credit Program.

\* \* \*

B.

\* \* \*

(2) In providing for the implementation and administration of the program, the department shall work closely with the secretary of the Department of Revenue in order to promulgate rules. Such rules shall include provisions for:

(a) The Department of Economic Development to certify the eligibility of any taxpayer applicant for receipt of the tax credit provided for in this Part ~~and the qualification of any taxpayer claimant to claim the credit against state tax liability.~~

\* \* \*

(c) ~~Provide for~~ **The presentation by the applicant or claimant of** an annual report of the Louisiana Entrepreneurial Business regarding the use of proceeds, number of employees, amount of payroll, annual revenue, and any other information requested by the Department of Economic Development.

C.(1) To qualify for an angel investor tax credit ~~for five tax years~~ all of the following qualifications shall be required by each applicant:

\* \* \*

**D. This program shall cease operation and no tax credits may be granted after December 31, 2014.**

§6020.2. Angel Investor Tax Credit; amount; duration; forfeit

A.(1) Except as provided in Subsection B of this Section, the taxpayer may ~~earn and apply for and, if qualified,~~ be granted a refundable credit on any income or corporation franchise tax liability owed to the state by the taxpayer seeking to claim the credit, in the amount approved by the secretary of the Department of Economic Development ~~for based upon~~ the amount of money invested by the taxpayer in the Louisiana Entrepreneurial Business, ~~which~~ **Tax credits granted pursuant to this Section** shall not exceed one million dollars per year per business and two million dollars total per business. ~~Except as otherwise provided in this Paragraph, the refundable credit shall be allowed against the income tax for the taxable period in which the credit is earned and the franchise tax for the taxable period following the period in which the credit is earned. However, credits earned on or before December 31, 2005, shall not be allowed until the income tax period beginning January 1, 2006, and the franchise tax due January 1, 2007.~~ **All credits granted will be divided into equal portions to be applied over five consecutive tax years starting with the taxable period in which the credit is granted for individual or corporation income tax purposes, and the taxable period following the period in which the credit is granted for franchise tax purposes.**

(2)(a) ~~The credits approved by the Department of Economic Development shall be granted at the rate of fifty percent of the amount of money invested by the taxpayer in the Louisiana Entrepreneurial Business, with the credit divided in equal portions for five years, subject to the limitations provided for in Paragraph (1) of this Subsection.~~ **Tax credits may be granted in an amount equal to a percentage of the amount of money invested by the taxpayer in a Louisiana Entrepreneurial Business as follows:**

**(i) From January 1, 2010 through December 31, 2010, fifty percent.**

**(ii) From January 1, 2011 through December 31, 2011, forty-five percent.**

**(iii) From January 1, 2012 through December 31, 2012, forty percent.**

**(iv) From January 1, 2013 through December 31, 2013, thirty-five percent.**

**(v) From January 1, 2014 through December 31, 2014, thirty percent.**

(b) The total angel investor tax credits granted by the Department of Economic Development ~~in any calendar year~~ shall not exceed five million dollars **per calendar year. The department shall by rule establish the method of allocating available tax credits to applicants, including but not limited to, a first come first served system, reservation of tax credits for a specified time period, or other method which the department, in its discretion, may find beneficial to the program. In the event that the total amount of credits granted in any calendar year is less than five million dollars, any residual amount of unused credits shall carry forward for use in subsequent years and may be granted in subsequent years in addition to the five million dollar limit for each year. No credits shall be granted after December 31, 2014.**

(c) After certifying the eligibility of the **investor, the** Louisiana Entrepreneurial Business, and the amount of the investment, the Department of Economic Development shall issue a tax credit certificate, a copy of which is to be attached to the tax return of the angel investor. The tax credit certificate shall contain the taxpayer's name, address, tax identification number, the amount of credit, the name of the qualifying business, and other information required by the Department of Revenue. The tax credit certificate, unless rescinded by the Department of Economic Development, shall be accepted by the Department of Revenue as proof of the credit.

\* \* \*

§6020.4. Angel investor tax credit; annual report to legislature

The secretary of the Department of Economic Development shall report to the House Committees on Commerce and Ways and Means and the Senate Committees on Commerce, Consumer Protection, and International Affairs and Revenue and Fiscal Affairs two months prior to each regular session of the legislature on the activities resulting from the Angel Investor Tax Credit Program with information provided to the secretary annually by the Louisiana Entrepreneurial Business. The report shall include but not be limited to the following:

\* \* \*

(3) The following information shall be reported to the Department of Economic Development by each Louisiana Entrepreneurial Business that received an investment from an angel investor. The information shall be reported annually for five years following the investment.

\* \* \*

**(g) Net profit (loss) generated by each company receiving an investment.**

**(h) Projected amount of investment into the business by angel investors, revenue, and profit (loss) for the next year."**

#### AMENDMENT NO. 4

On page 1, at the beginning of line 8, delete "Section 1." and insert "Section 2."

#### AMENDMENT NO. 5

On page 4, between lines 27 and 28, insert the following:

\* \* \*

B. The provisions of this Act shall become effective for all income tax and franchise tax years beginning on or after January 1, 2005. ~~However, this Act shall become null and void on December 31, 2009."~~

10 On page 4, at the beginning of line 28, delete "Section 2." and insert "Section 4."

13 "Section 5. The provisions of Section 1. of this Act shall apply to all income  
14 tax and franchise tax years beginning on or after January 1, 2010."